

Unit 2 Test: Accounting for a Merchandising Business

Chapter 10

Test Date: Thursday May 18, 2017

Terms To Know

Periodic Inventory System	Wholesalers	Physical Inventory
Merchandise Inventory	Retailer	Cost of Goods Sold
Terms of Sale		

Concepts To Know

Section 10.1 – The Merchandising Business

1. Periodic vs. Perpetual Inventory Systems
2. Basic Cost of Good Sold Calculation & the Income Statement
3. Limitations of the Periodic Inventory System

Section 10.2 – Accounting Procedures for a Merchandising Business

1. The Merchandise Inventory Account
2. The Purchases Account
3. The Sales Account
4. The Freight In Account

Section 10.3 – Worksheet for a Merchandising Business

1. Completing an accurate Worksheet for a Merchandising Business
2. Income Statement for a Merchandising Business
3. Closing Entries for a Merchandising Business

Section 10.4 – Merchandise Returns & Allowances

1. Credit Invoices – Procedures for Issuing
2. Cash Refunds
3. Sales Returns & Allowances Account
4. Purchases Returns & Allowances Account

Section 10.5 – Sales Discounts

1. Terms of Sale – Know What The Different Types Mean
2. Accounting for Cash Discounts
3. Additional Cash Discount Facts

Questions to Answer (We have done some of these already!)

Section	Page Number	Chapter 10 Questions
10.1	401 - 403	Review Questions 1-17 & Exercises 1-5
10.2	406 - 408	Review Questions 1-11 & Exercises 1-3
10.3	413 - 416	Review Questions 1-14 & Exercises 1-3
10.4	424 - 427	Review Questions 1-15 & Exercises 1-5
10.5	432 - 434	Review Questions 1-16 & Exercises 1-4
Chapter Review	455 – 486	Review Exercises 1 – 5, 9 - 11